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State/Territory Name: Texas

State Plan Amendment (SPA) #: 16-0015

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Superseding Page Listing
- 4) Approved Page(s)

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Dallas Regional Office  
1301 Young Street, Suite 833  
Dallas, Texas 75202



**DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI**

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September 22, 2016

Our Reference: TX SPA 16-0015

Ms. Jamie Snyder  
State Medicaid/CHIP Director  
Health and Human Services Commission  
Mail Code: H100  
Post Office Box 13247  
Austin, Texas 78711

Dear Ms. Snyder:

We have reviewed the State's proposed amendment to the Texas State Plan submitted under Transmittal Number 16-0015, dated June 29, 2016. This state plan amendment updates the Non-emergency Medical Transportation (NEMT) program and transportation assurance pages to allow the Texas Health and Human Services Commission (HHSC) to provide NEMT services as optional medical services provided without a broker or as administrative services.

Based on the information submitted, we have approved the amendment for incorporation into the official Texas State Plan with an effective date of April 1, 2016. A copy of the CMS-179 and approved plan pages are enclosed with this letter.

If you have any questions, please contact Ford Blunt of my staff. Mr. Blunt may be reached at (214) 767-6381 or by email at [Ford.Blunt@cms.hhs.gov](mailto:Ford.Blunt@cms.hhs.gov).

Sincerely,

A black rectangular box redacting the signature of Bill Brooks.

Bill Brooks  
Associate Regional Administrator

Cc: Dana Williamson, Manager, Policy

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER:  <div style="text-align: center; font-weight: bold;">16-0015</div>	2. STATE:  <div style="text-align: center; font-weight: bold;">TEXAS</div>
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
5. TYPE OF PLAN MATERIAL (Circle One):  <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT		4. PROPOSED EFFECTIVE DATE:  <div style="text-align: center; font-weight: bold;">April 1, 2016</div>	
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION:  <b>SSA §1902(a)(70); 42 CFR §440.170(a); 42 CFR §431.53</b>	7. FEDERAL BUDGET IMPACT: <b>SEE ATTACHMENT</b> a. FFY 2016                              \$ 891,438 b. FFY 2017                              \$1,782,482 c. FFY 2018                              \$1,873,150		
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <b>SEE ATTACHMENT TO BLOCKS 8 &amp; 9</b>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  <b>SEE ATTACHMENT TO BLOCKS 8 &amp; 9</b>		
10. SUBJECT OF AMENDMENT:  <b>The purpose of this amendment is to update the Non-emergency Medical Transportation (NEMT) program and transportation assurance pages to allow HHSC to provide NEMT services as optional medical services provided without a broker or as administrative services and to address changes in Region 4 from a prepaid ambulatory health plan (PAHP) delivery model administered by a managed transportation organization (MTO) to a fee-for-service (FFS) selective contracting model administered by HHSC.</b>			
11. GOVERNOR'S REVIEW (Check One):  <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt. <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF REGIONAL OFFICIAL:  	16. RETURN TO:  <b>Gary Jessee State Medicaid Director Post Office Box 13247, MC: H-100 Austin, Texas 78711</b>		
13. TYPED NAME: <b>Gary Jessee</b>	16. RETURN TO:  <b>Gary Jessee State Medicaid Director Post Office Box 13247, MC: H-100 Austin, Texas 78711</b>		
14. TITLE: <b>State Medicaid Director</b>			
15. DATE SUBMITTED: <b>June 29, 2016</b>			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:      June 29, 2016		18. DATE APPROVED:      September 22, 2016	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL:  <div style="text-align: center;">April 1, 2016</div>		20. SIGNATURE OF REGIONAL OFFICIAL:  	
21. TYPED NAME: <div style="text-align: center;">Bill Brooks</div>		22. TITLE:      Associate Regional Administrator <div style="text-align: center;">Division of Medicaid and Children's Health</div>	
23. REMARKS:			

**Attachment to Blocks 8 & 9 of CMS Form 179**

**Transmittal Number 16-0015**

<b><u>Number of the Plan Section or Attachment</u></b>	<b><u>Number of the Superseded Plan Section or Attachment</u></b>
Appendix 1 to Attachment 3.1-A Page 55 Page 62 Page 63	Appendix 1 to Attachment 3.1-A Page 55 (TN 15-0008) Page 62 (TN 14-020) N/A - new page
Appendix 1 to Attachment 3.1-B Page 55 Page 62 Page 63	Appendix 1 to Attachment 3.1-B Page 55 (TN 15-0008) Page 62 (TN 14-020) N/A - new page
Attachment 3.1-D Page 2 Page 3 Page 4 Page 5 Page 6 Page 7	Attachment 3.1-D Page 2 (TN 14-020) Page 3 (TN 15-0008) Page 4 (TN 15-0008) Page 5 (TN 14-020) Page 6 (TN 14-020) N/A - new page
Attachment 4.19-B Page 4	Attachment 4.19-B Page 4 (TN 14-020)

State: Texas  
Date Received: 6-29-2016  
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Transmittal Number: TX 16-0015

**28. Any other medical care, and any other type of remedial care recognized under State law, specified by the Secretary (in accordance with section 1905(a)(29) of the Social Security Act and 42 C.F.R. § 440.170)**

- a. Transportation (provided in accordance with 42 C.F.R. § 440.170) excluding "school-based" transportation

- ☐ Not provided  
☒ Provided without a broker as an optional medical service (see Appendix 1 to Attachment 3.1-A Pages 62-63)  
☒ Non-emergency transportation is provided through a brokerage program as an optional medical service in accordance with 1902(a)(70) of the Social Security Act and 42 C.F.R. § 440.170(a)(4).

Non-emergency medical transportation services will be provided under the brokerage program model in the following counties:

ANDERSON, ANGELINA, ATASCOSA, AUSTIN, BANDERA, BASTROP, BELL, BEXAR, BLANCO, BOSQUE, BOWIE, BRAZORIA, BRAZOS, BROWN, BURLESON, BURNET, CALDWELL, CALHOUN, CALLAHAN, CAMP, CASS, CHAMBERS, CHEROKEE, COKE, COLEMAN, COLORADO, COMAL, COMANCHE, CONCHO, CORYELL, CROCKETT, DALLAS, DE WITT, DELTA, DENTON, DIMMIT, EASTLAND, EDWARDS, ELLIS, ERATH, FALLS, FAYETTE, FISHER, FORT BEND, FRANKLIN, FREESTONE, FRIO, GALVESTON, GILLESPIE, GOLIAD, GONZALES, GREGG, GRIMES, GUADALUPE, HAMILTON, HARDIN, HARRIS, HARRISON, HASKELL, HAYS, HENDERSON, HILL, HOOD, HOPKINS, HOUSTON, HUNT, IRION, JACKSON, JASPER, JEFFERSON, JOHNSON, JONES, KARNES, KAUFMAN, KENDALL, KENT, KERR, KIMBLE, KINNEY, KNOX, LA SALLE, LAMAR, LAMPASAS, LAVACA, LEE, LEON, LIBERTY, LIMESTONE, LLANO, MADISON, MARION, MASON, MATAGORDA, MAVERICK, MCCULLOCH, MCLENNAN, MEDINA, MENARD, MILAM, MILLS, MITCHELL, MONTGOMERY, MORRIS, NACOGDOCHES, NAVARRO, NEWTON, NOLAN, ORANGE, PALO PINTO, PANOLA, PARKER, POLK, RAINS, REAGAN, REAL, RED RIVER, ROBERTSON, ROCKWALL, RUNNELS, RUSK, SABINE, SAN AUGUSTINE, SAN JACINTO, SAN SABA, SCHLEICHER, SCURRY, SHACKELFORD, SHELBY, SMITH, SOMERVELL, STEPHENS, STERLING, STONEWALL, SUTTON, TARRANT, TAYLOR, THROCKMORTON, TITUS, TOM GREEN, TRAVIS, TRINITY, TYLER, UPSHUR, UVALDE, VAL VERDE, VAN ZANDT, VICTORIA, WALKER, WALLER, WASHINGTON, WHARTON, WILLIAMSON, WILSON, WOOD, and ZAVALA

The State assures it has established a non-emergency medical transportation program in accordance with 1902(a)(70) of the Social Security Act in order to more cost-effectively provide transportation, and can document, upon request from CMS, that the transportation broker was selected through a competitive bidding process that is consistent with 45 C.F.R. § 92.36(b) through (i) and is based on the State's evaluation of the broker's experience, performance, references, resources, qualifications, and costs.

- (1) The State will operate the broker program without the requirements of the following paragraphs of section 1902(a).

- ☒ (1) state-wideness (indicate areas of State that are covered)  
☒ (10)(B) comparability (indicate participating beneficiary groups)  
☒ (23) freedom of choice (indicate mandatory population groups)

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Date Effective 4-1-2016  
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**28. Any other medical care (continued)**

a. Transportation (continued)

☒ Provided without a broker as an optional medical service:

As an optional service, the following nonemergency medical transportation (NEMT) services meet the definition outlined in the Medicaid regulations (at 42 CFR 440.170(a)) and all other requirements relating to Medicaid services. These services include:

- (i) Demand response transportation services. Transportation that involves using a transportation provider who dispatches vehicles in response to requests for individual or shared one-way trips in areas of the state where demand response transportation services cease to be provided for any reason through the NEMT Brokerage Program, the 1915(b) Waiver (TX-24), or the 1915(b) Fee-For-Service Selective Contracting Program (TX-26).
- (ii) Mass transit. Transportation by bus, rail, air, ferry, or intra-city bus, either publicly or privately owned, which provides to the public general or special service on a regular and continuing basis. Mass transit is intercity or intra-city transportation. Mass transit also involves using commercial air service to transport an eligible Medicaid recipient to an authorized covered Medicaid service.

The single state agency purchases tickets from intra-city and intercity mass transit providers (e.g., bus, rail, air) with state funds as an administratively efficient way to assure the availability of NEMT service by participating mass transit providers for eligible recipients whose medical conditions allow. The claim for FFP will not be made until an eligible recipient uses the ticket to obtain transportation for a necessary medical service.

- (iii) Individual Transportation Participant. Transportation by an individual transportation participant (ITP) who is approved for mileage reimbursement at a prescribed rate to provide transportation for a prior authorized MTP client to a prior authorized health care service.

Exclusion: Mileage reimbursement made directly to a Medicaid beneficiary or to a beneficiary's immediate family member (ITP-Self) does not qualify for the federal medical assistance percentage (FMAP) match.

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State: Texas  
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Date Effective 4-1-2016  
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**28. Any other medical care (continued)**

a. Transportation (continued)

- (iv) Lodging. Transportation-related services authorized by the single state agency to provide overnight lodging for eligible recipients in conjunction with a healthcare service. Lodging services are arranged through a lodging establishment (e.g., hotel, motel, charitable home, or hospital that provides overnight lodging), that has agreed to provide lodging paid by the single state agency at the state-established amount for lodging. Direct payment is made to a lodging establishment either as a reimbursement or direct bill or up front utilizing the State credit card. Lodging providers do not enroll with the state.

Exclusion: Reimbursement of eligible lodging expenses directly to a Medicaid beneficiary or to a beneficiary's immediate family member is not eligible for FMAP.

- (v) Meals. Transportation-related services authorized by the single state agency for the purpose of funding meals for eligible recipients during an extended stay away from the recipient's residence. Meal contractors are enrolled in the Texas Medicaid Program and must have approved agreement to receive funds on behalf of an eligible recipient, where available. In the event no meal agreement is available in an area required by the recipient, Medicaid directly advanced or reimburses the recipient or responsible party according to meal reimbursement established by the State of Texas.

Exclusion: Reimbursement of eligible meal expenses directly to a Medicaid beneficiary or to a beneficiary's immediate family member is not eligible for FMAP.

- (vi) Advanced Funds. Transportation-related services authorized by the single state agency and provided in advance and disbursed by the financial services vendor to a recipient, responsible party, or Individual Transportation Participant (ITP) for the purpose of funding transportation or transportation-related services (e.g., gasoline, meals and/or lodging, etc.). The state's claim for federal financial participation in these expenditures will not be made until after the recipient has received the medical care for which the expenditures were necessary.

- (vii) Attendant. Parent, responsible party, or services animal who accompanies a recipient for the purpose of providing necessary mobility or personal or language assistance to the recipient during the time that transportation and healthcare services are provided. Additionally, if a services animal is authorized to accompany a beneficiary, the state reimburses the provider for the space occupied by the services animal at the rate established in the services area for an adult attendant.

Exclusion: Reimbursement of a salary to an eligible attendant is not eligible for FMAP.

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**28. Any other medical care, and any other type of remedial care recognized under State law, specified by the Secretary (in accordance with section 1905(a)(29) of the Social Security Act and 42 C.F.R. § 440.170)**

- a. Transportation (provided in accordance with 42 C.F.R. § 440.170) excluding "school-based" transportation

- ☐ Not provided  
☒ Provided without a broker as an optional medical service (see Appendix 1 to Attachment 3.1-A Pages 62-63)  
☒ Non-emergency transportation is provided through a brokerage program as an optional medical service in accordance with 1902(a)(70) of the Social Security Act and 42 C.F.R. § 440.170(a)(4).

Non-emergency medical transportation services will be provided under the brokerage program model in the following counties:

ANDERSON, ANGELINA, ATASCOSA, AUSTIN, BANDERA, BASTROP, BELL, BEXAR, BLANCO, BOSQUE, BOWIE, BRAZORIA, BRAZOS, BROWN, BURLESON, BURNET, CALDWELL, CALHOUN, CALLAHAN, CAMP, CASS, CHAMBERS, CHEROKEE, COKE, COLEMAN, COLORADO, COMAL, COMANCHE, CONCHO, CORYELL, CROCKETT, DALLAS, DE WITT, DELTA, DENTON, DIMMIT, EASTLAND, EDWARDS, ELLIS, ERATH, FALLS, FAYETTE, FISHER, FORT BEND, FRANKLIN, FREESTONE, FRIO, GALVESTON, GILLESPIE, GOLIAD, GONZALES, GREGG, GRIMES, GUADALUPE, HAMILTON, HARDIN, HARRIS, HARRISON, HASKELL, HAYS, HENDERSON, HILL, HOOD, HOPKINS, HOUSTON, HUNT, IRION, JACKSON, JASPER, JEFFERSON, JOHNSON, JONES, KARNES, KAUFMAN, KENDALL, KENT, KERR, KIMBLE, KINNEY, KNOX, LA SALLE, LAMAR, LAMPASAS, LAVACA, LEE, LEON, LIBERTY, LIMESTONE, LLANO, MADISON, MARION, MASON, MATAGORDA, MAVERICK, MCCULLOCH, MCLENNAN, MEDINA, MENARD, MILAM, MILLS, MITCHELL, MONTGOMERY, MORRIS, NACOGDOCHES, NAVARRO, NEWTON, NOLAN, ORANGE, PALO PINTO, PANOLA, PARKER, POLK, RAINS, REAGAN, REAL, RED RIVER, ROBERTSON, ROCKWALL, RUNNELS, RUSK, SABINE, SAN AUGUSTINE, SAN JACINTO, SAN SABA, SCHLEICHER, SCURRY, SHACKELFORD, SHELBY, SMITH, SOMERVELL, STEPHENS, STERLING, STONEWALL, SUTTON, TARRANT, TAYLOR, THROCKMORTON, TITUS, TOM GREEN, TRAVIS, TRINITY, TYLER, UPSHUR, UVALDE, VAL VERDE, VAN ZANDT, VICTORIA, WALKER, WALLER, WASHINGTON, WHARTON, WILLIAMSON, WILSON, WOOD, and ZAVALA

The State assures it has established a non-emergency medical transportation program in accordance with 1902(a)(70) of the Social Security Act in order to more cost-effectively provide transportation, and can document, upon request from CMS, that the transportation broker was selected through a competitive bidding process that is consistent with 45 C.F.R. § 92.36(b) through (i) and is based on the State's evaluation of the broker's experience, performance, references, resources, qualifications, and costs.

- (1) The State will operate the broker program without the requirements of the following paragraphs of section 1902(a).

- ☒ (1) state-wideness (indicate areas of State that are covered)  
☒ (10)(B) comparability (indicate participating beneficiary groups)  
☒ (23) freedom of choice (indicate mandatory population groups)

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**28. Any other medical care (continued)**

a. Transportation (continued)

☒ Provided without a broker as an optional medical service:  
As an optional service, the following nonemergency medical transportation (NEMT) services meet the definition outlined in the Medicaid regulations (at 42 CFR 440.170(a)) and all other requirements relating to Medicaid services. These services include:

- (i) Demand response transportation services. Transportation that involves using a transportation provider who dispatches vehicles in response to requests for individual or shared one-way trips in areas of the state where demand response transportation services cease to be provided for any reason through the NEMT Brokerage Program, the 1915(b) Waiver (TX-24), or the 1915(b) Fee-For-Service Selective Contracting Program (TX-26).
- (ii) Mass transit. Transportation by bus, rail, air, ferry, or intra-city bus, either publicly or privately owned, which provides to the public general or special service on a regular and continuing basis. Mass transit is intercity or intra-city transportation. Mass transit also involves using commercial air service to transport an eligible Medicaid recipient to an authorized covered Medicaid service.

The single state agency purchases tickets from intra-city and intercity mass transit providers (e.g., bus, rail, air) with state funds as an administratively efficient way to assure the availability of NEMT service by participating mass transit providers for eligible recipients whose medical conditions allow. The claim for FFP will not be made until an eligible recipient uses the ticket to obtain transportation for a necessary medical service.

- (iii) Individual Transportation Participant. Transportation by an individual transportation participant (ITP) who is approved for mileage reimbursement at a prescribed rate to provide transportation for a prior authorized MTP client to a prior authorized health care service.

Exclusion: Mileage reimbursement made directly to a Medicaid beneficiary or to a beneficiary's immediate family member (ITP-Self) does not qualify for the federal medical assistance percentage (FMAP) match.

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**28. Any other medical care (continued)**

**a. Transportation (continued)**

- (iv) Lodging. Transportation-related services authorized by the single state agency to provide overnight lodging for eligible recipients in conjunction with a healthcare service. Lodging services are arranged through a lodging establishment (e.g., hotel, motel, charitable home, or hospital that provides overnight lodging), that has agreed to provide lodging paid by the single state agency at the state-established amount for lodging. Direct payment is made to a lodging establishment either as a reimbursement or direct bill or up front utilizing the State credit card. Lodging providers do not enroll with the state.

Exclusion: Reimbursement of eligible lodging expenses directly to a Medicaid beneficiary or to a beneficiary's immediate family member is not eligible for FMAP.

- (v) Meals. Transportation-related services authorized by the single state agency for the purpose of funding meals for eligible recipients during an extended stay away from the recipient's residence. Meal contractors are enrolled in the Texas Medicaid Program and must have approved agreement to receive funds on behalf of an eligible recipient, where available. In the event no meal agreement is available in an area required by the recipient, Medicaid directly advanced or reimburses the recipient or responsible party according to meal reimbursement established by the State of Texas.

Exclusion: Reimbursement of eligible meal expenses directly to a Medicaid beneficiary or to a beneficiary's immediate family member is not eligible for FMAP.

- (vi) Advanced Funds. Transportation-related services authorized by the single state agency and provided in advance and disbursed by the financial services vendor to a recipient, responsible party, or Individual Transportation Participant (ITP) for the purpose of funding transportation or transportation-related services (e.g., gasoline, meals and/or lodging, etc.). The state's claim for federal financial participation in these expenditures will not be made until after the recipient has received the medical care for which the expenditures were necessary.

- (vii) Attendant. Parent, responsible party, or services animal who accompanies a recipient for the purpose of providing necessary mobility or personal or language assistance to the recipient during the time that transportation and healthcare services are provided. Additionally, if a services animal is authorized to accompany a beneficiary, the state reimburses the provider for the space occupied by the services animal at the rate established in the services area for an adult attendant.

Exclusion: Reimbursement of a salary to an eligible attendant is not eligible for FMAP.

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## Medical Transportation Program (continued)

### 1. Non-emergency Transportation

To ensure necessary transportation for clients to and from visits with enrolled Medicaid providers, the single state agency or the broker uses several types of transportation and related services that comply with federal assurance of non-emergency medical transportation (NEMT) rules and regulations, are efficient and cost effective, and meet the transportation needs of the client. The single state agency makes payment directly or for its contractors to provide the most effective and efficient transportation that meets the need for the client and does not endanger the client's health. These transportation and related services include the following:

- (1) Demand response transportation services. These service are provided when fixed route services are either unavailable or do not meet the health care needs of clients. Services must be timely and provided by licensed, qualified, courteous, knowledgeable, and trained personnel.
- (2) Mass transit tickets when determined to be the appropriate mode of transportation for the client, ensuring the client does not live more than a quarter (1/4) mile from a public fixed route stop, the appointment is not more than a quarter (1/4) mile from a public fixed route stop, and that mass transit tickets are received by the client before the client's appointment.
- (3) Mileage reimbursement for Individual Transportation Participant (ITP) services. An ITP signs a participation agreement and drives a client, including himself or herself, to and from a covered health care service in a personal car; ITPs are not reimbursed for 'unloaded miles," or mileage incurred when the client is not in the vehicle.
- (4) Meal and lodging services for clients and an attendant when a covered health care service requires an overnight stay outside the client's county of residence or beyond adjacent counties. Clients and attendants must receive the same quality of services provided to other guests and the lodging services must be equivalent or better than those listed in the Office of the Texas Comptroller's State Travel Management Program.
- (5) Transportation to and from renal dialysis services for clients enrolled in the Medicaid program who are residing in a nursing facility, as required by the Texas Human Resources Code.
- (6) Advanced funds disbursed before the covered health care service to clients when a lack of transportation funds will prevent a child from traveling to the service. Advanced funds are for clients through age 20. Advanced funds may be issued to cover meals, lodging, and/or mileage.

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### Medical Transportation Program (continued)

- (7) *Out-of-state transport* to contiguous counties or bordering counties in adjoining states (Louisiana, Arkansas, Oklahoma, and New Mexico) that are within 50 miles of the Texas border, if services are medically necessary and it is the customary or general practice of clients in a particular locality within Texas to obtain services from an out-of-state provider that is enrolled as a Texas Medicaid provider. Out-of-state transport also includes travel to states outside of the adjoining states for medically necessary medical care or other health care services that cannot be provided within the state of Texas.
- (8) *Commercial airline transportation services* for a client and attendant to a covered health care service, when it is the most cost effective option or when necessary to meet the client's medical needs.
- (9) *Transportation of an attendant*, if necessary.

Transportation in Texas is provided through three models. These models are the NEMT Brokerage Program Model, the 1915(b) Waiver (TX-24) Model, and the 1915(b)(4) Fee-For-Service Selective Contracting Program (TX-26) Model. In cases where NEMT ceases to be provided for any reason through the NEMT Brokerage Program Model, the 1915(b)(4) Waiver (TX-24) Model, or the 1915(b)(4) Fee-For-Service Selective Contracting Program (TX-26) Model, the State will utilize the optional medical NEMT service allowing for free choice of providers or the administrative NEMT service when the free choice of providers is not available.

#### NEMT Brokerage Program Model

In seven Managed Transportation Organization (MTO) Regions and two service delivery areas (SDAs), transportation and related services (e.g., mass transit, meals, lodging) are provided through a broker that meets the requirements outlined in 42 C.F.R. § 440.170(a)(4). The broker is paid a capitated, per-member-per-month rate. The NEMT Brokerage Program Model includes three contractors and the following counties:

ANDERSON, ANGELINA, ATASCOSA, AUSTIN, BANDERA, BASTROP, BELL, BEXAR, BLANCO, BOSQUE, BOWIE, BRAZORIA, BRAZOS, BROWN, BURLESON, BURNET, CALDWELL, CALHOUN, CALLAHAN, CAMP, CASS, CHAMBERS, CHEROKEE, COKE, COLEMAN, COLORADO, COMAL, COMANCHE, CONCHO, CORYELL, CROCKETT, DALLAS, DE WITT, DELTA, DENTON, DIMMIT, EASTLAND, EDWARDS, ELLIS, ERATH, FALLS, FAYETTE, FISHER, FORT BEND, FRANKLIN, FREESTONE, FRIO, GALVESTON, GILLESPIE, GOLIAD, GONZALES, GREGG, GRIMES, GUADALUPE, HAMILTON, HARDIN, HARRIS, HARRISON, HASKELL, HAYS, HENDERSON, HILL, HOOD, HOPKINS, HOUSTON, HUNT, IRION, JACKSON, JASPER, JEFFERSON, JOHNSON, JONES, KARNES, KAUFMAN, KENDALL, KENT, KERR, KIMBLE, KINNEY, KNOX, LA SALLE, LAMAR, LAMPASAS, LAVACA, LEE, LEON, LIBERTY, LIMESTONE, LLANO, MADISON, MARION, MASON, MATAGORDA, MAVERICK, MEDINA, MCCULLOCH, MCLENNAN, MENARD, MILAM, MILLS, MITCHELL, MONTGOMERY, MORRIS, NACOGDOCHES, NAVARRO, NEWTON, NOLAN, ORANGE, PALO PINTO, PANOLA, PARKER, POLK, RAINS, REAGAN, REAL, RED RIVER, ROBERTSON, ROCKWALL, RUNNELS, RUSK, SABINE, SAN AUGUSTINE, SAN JACINTO, SAN SABA,

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Transmittal Number: TX 16-0015

## Medical Transportation Program (continued)

SCHLEICHER, SCURRY, SHACKELFORD, SHELBY, SMITH, SOMERVELL, STEPHENS, STERLING, STONEWALL, SUTTON, TARRANT, TAYLOR, THROCKMORTON, TITUS, TOM GREEN, TRAVIS, TRINITY, TYLER, UPSHUR, UVALDE, VAL VERDE, VAN ZANDT, VICTORIA, WALKER, WALLER, WASHINGTON, WHARTON, WILLIAMSON, WILSON, WOOD, and ZAVALA

### 1915(b) Waiver (TX-24) Model

In three Managed Transportation Organization (MTO) Regions, transportation and related services (e.g., mass transit, meals, lodging) are provided through an MTO under the authority of a 1915(b) waiver. The managed transportation organization may own, operate, and maintain a fleet of vehicles. The managed transportation organization is paid a capitated, per-member-per-month rate.

The 1915(b) Waiver (TX-24) Model includes three contractors and the following counties:

ANDREWS, ARANSAS, ARMSTRONG, BAILEY, BEE, BORDEN, BREWSTER, BRISCOE, BROOKS, CAMERON, CARSON, CASTRO, CHILDRESS, COCHRAN, COLLINGSWORTH, CRANE, CROSBY, CULBERSON, DALLAM, DAWSON, DEAF SMITH, DICKENS, DONLEY, DUVAL, ECTOR, EL PASO, FLOYD, GAINES, GARZA, GLASSCOCK, GRAY, HALE, HALL, HANSFORD, HARTLEY, HEMPHILL, HIDALGO, HOCKLEY, HOWARD, HUDSPETH, HUTCHINSON, JEFF DAVIS, JIM HOGG, JIM WELLS, KENEDY, KING, KLEBERG, LAMB, LIPSCOMB, LIVE, OAK, LOVING, LUBBOCK, LYNN, MARTIN, MCMULLEN, MIDLAND, MOORE, MOTLEY, NUECES, OCHILTREE, OLDHAM, PARMER, PECOS, POTTER, PRESIDIO, RANDALL, REEVES, REFUGIO, ROBERTS, SAN PATRICIO, SHERMAN, STARR, SWISHER, TERRELL, TERRY, UPTON, WARD, WEBB, WHEELER, WILLACY, WINKLER, YOAKUM, and ZAPATA

### 1915(b)(4) Fee-For-Service Selective Contracting Program (TX-26) Model

In one Managed Transportation Organization (MTO) Region, demand response transportation services are provided under the authority of a 1915(b)(4) Fee-For-Service Selective Contracting Program. All other transportation services (e.g.; mass transit, meals, lodging, advanced funds, mileage reimbursement) are authorized and arranged by state staff. These services are provided under the authority of the state plan and are reimbursed on a fee-for-service basis.

The 1915(b)(4) Fee-For-Service Selective Contracting Program (TX-26) includes the following counties:

ARCHER, BAYLOR, CLAY, COLLIN, COOKE, COTTLE, FANNIN, FOARD, GRAYSON, HARDEMAN, JACK, MONTAGUE, WICHITA, WILBARGER, WISE, and YOUNG

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## Medical Transportation Program (continued)

### 2. Administrative Services

As an administrative activity, the following NEMT services are required to assure the availability of necessary transportation as outlined in the Medicaid regulations 42 CFR §431.53 and in addition to transportation provided as an optional Medicaid service. The following administrative NEMT services are provided by this state plan:

- a. Advanced Funds. Transportation-related services authorized by the single state agency and provided in advance of travel and disbursed to the eligible recipient, responsible party, or Individual Transportation Participant (ITP) for the purpose of funding transportation or transportation-related services (e.g., gasoline, meals and or lodging, etc.). The State's claim for federal financial participation in these expenditures will not be made until after the recipient has received the medical care for which the expenditures were necessary.
- b. Individual Transportation Participant - Self. Transportation by an individual transportation participant (ITP-Self) who is the Medicaid beneficiary or parent of a Medicaid beneficiary and who is approved for mileage reimbursement at a prescribed rate to provide transportation to a prior authorized health care service.

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## **Medical Transportation Program (continued)**

### **3. Population Served**

The single state agency ensures transportation services are provided to the categorically needy and medically needy optional populations as identified in Appendix 1 to Attachment 3.1-A/B.

### **4. Single State Agency Responsibilities**

The single state agency is responsible for determining NEMT eligibility and benefit coverage. The single state agency is responsible for ensuring that the recipient is eligible for Medicaid. The single agency ensures the following:

- a. Transportation services are provided only by contracted or enrolled Medicaid transportation providers.
- b. Transportation services are provided only in conjunction to a covered Medicaid service.
- c. Medicaid is the payor of last resort, with certain exceptions allowed by federal regulations or law.
- d. Medicaid recipient is informed about rights and responsibilities.

Exceptions to the transportation provisions contained in this plan may be authorized by the Health and Human Services Commission or its designee when, in the opinion of the Commission, circumstances of medical necessity warrant such exceptions.

### **5. Procurement and Purchase of Services**

The single state agency must competitively bid transportation and transportation-related contracts according to state and federal law for NEMT. All transportation service providers, including managed transportation organizations operating under the 1915(b) Waiver Model and brokers operating under the NEMT Brokerage Program Model, are selected based on an assessment that includes experience, references, qualifications and credentials, resources, and costs. Additionally, the transportation service providers must ensure that transport personnel are licensed, qualified, competent, and courteous. Transportation service providers must have oversight procedures in place to monitor beneficiary access and complaints.

### **6. Program Limitations**

Transportation and related services are limited to trips for Medicaid beneficiaries and their approved attendants to and from Medicaid-covered services.

Transportation for full-benefit dual eligible beneficiaries to obtain prescription medications covered under the Medicare Part D benefit will be provided at the same level and under the same restrictions as is offered to all Medicaid beneficiaries.

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## Medical Transportation Program (continued)

### 7. Non-covered Services

Transportation to and from services that are not medically necessary or that are not provided in compliance with Texas Medicaid Program policy and procedures.

Transportation by ambulance or nonemergency ambulance, except as described in the relevant section of the state plan.

Transportation to and from a day activity, a personal care home or state institution, or a medical or institutional facility participating in another Title XIX program for which the reimbursement rate structure includes transportation funds, except for transportation to and from renal dialysis services for clients who are enrolled in the Medicaid program and residing in a nursing facility.

### 8. Program Monitoring and Validation

The State's contracts provide that the broker will have in place oversight procedures to monitor beneficiary access and complaints; that transport personnel are licensed, qualified, competent, and courteous; and that the broker will comply with the federal requirements related to prohibitions on referrals and conflict of interest. A broker may not add in costs for "no shows" or "unloaded miles" into its calculation for administrative or operational expenses; these trips are considered an unallowable cost, should be excluded from the broker's Financial Statistical Report (FSR), and are not used to calculate the capitated rate. Any inappropriate payment is at the broker's expense. The broker must coordinate with the State and medical practitioners to assess clients' medical needs. The broker must serve all clients in its MTO Region or service delivery area, regardless of a client's behavior.

The State will perform regular auditing and oversight of the brokerage program in order to assure the quality of the transportation services provided to beneficiaries and to guarantee the adequacy of beneficiary access to medical care and services. The State conducts several monitoring activities to determine a broker's compliance with contract requirements, including quarterly encounter data validity checks that match the transportation expense to a health care event and verify information on the FSR.

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## 12. Medical Transportation

- (a) Non-emergency Medical Transportation (NEMT) Brokerage Program Services.  
Each broker is paid a monthly capitation rate for each eligible client in the broker's designated transportation service area. Capitation rates are defined on a per-member-per-month basis. The broker is at-risk for expenses that may be necessary or incurred in order to deliver covered NEMT services, even if the broker's expenses exceed the broker's capitation payments.
- (b) State-authorized transportation services – All state-authorized transportation services that are not or cease to be provided through the NEMT Brokerage Program Model, the 1915(b)(4) Waiver (TX-24) Model, or the 1915(b)(4) Fee-For-Service Selective Contracting Program (TX-26) Model are reimbursed on a fee-for-service basis. These transportation services include demand response transportation services, mass transit, mileage reimbursement for individual transportation participants, lodging, meals, and advanced funds.

The table below outlines the payments for each transportation service provided on or after April 1, 2016.

Service	Policy
Demand response transportation services - 1915(b)(4) Fee-For-Service Selective Contracting Program	Initial payments were negotiated by the MTO. Subsequent payments are negotiated as a part of the contract.
Demand response transportation services - State authorized transportation services	Payments are based on reasonable charges as negotiated under the contract.
Air	HHSC pays general public airfare (non-refundable) at the best possible price to the location traveled at times that meet the client's medical needs.
Commercial & public fixed route transportation	HHSC pays the public fare price for the means of transportation that is most cost effective.
Individual Transportation Participant-Other	ITPs are paid the mileage reimbursement rate for State of Texas employees as adopted by the single state agency.
Individual Transportation Participant-Self	ITPs are paid the mileage reimbursement rate for State of Texas employees as adopted by the single state agency.
Lodging	HHSC negotiates the government rate when possible. HHSC pays the best rate that can be secured in the area that meets the client's medical needs.
Meals	Meals are paid at \$25.00 per day per person.
Advanced Funds	The rates are inclusive of mileage, hotels, meals, etc., and are determined as listed above.

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